



Rite Care and Community Hospitals

Community Hospital Task Force
January 7, 2008



Rite Care and Community Hospitals

- Program Background
- Membership
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- Policy Interests



Program Background

- RItE Care is the State's Section 1115 Managed Care demonstration waiver for low-income families and children
- RItE Care also covers children in DCYF Substitute Care and Children with Special Health Care Needs (CSHCN's)



Membership

- "Core" RItE Care (TANF families, parents and children up to 250% FPL): 110,000 [not including 7,200 RItE *Share* members]
- RItE Care/Substitute Care: 2,200
- RItE Care/CSHCN's: 4,700

Total Medicaid [all populations]: 173,000



Contracting Arrangements

- DHS contracts with three HMO's for RItE Care: Blue Cross/Blue Shield (BCBS), Neighborhood Health Plan (NHPRI), and United (UHCNE)
- DHS sets capitation rates, common to all plans, by age and sex



Contracting Arrangements

- RItE Care is a comprehensive health plan design, covering physician, hospital, and pharmacy, and generally comparable in scope with commercial benefits
 - **NICU care is an in-plan benefit, paid for directly by the State**
- RItE Care members are also eligible for benefits not offered by the RItE Care health plans (e.g., oral health)



Contracting Arrangements

- The State requires the plans to assure access, quality, and cost
- The plans are at risk to deliver against these assurances
- The State has elected not to dictate provider rates to the plans



Policy Interests

- The policy interests for Medicaid fee for service and Rite Care are different, because the populations served and the State's role(s) are different



State's Role

- In Medicaid Fee for Service, the State acts as a payor
- In RItE Care, the State is a purchaser



Most Common DRG's

Fee for Service

- Bipolar Disorders
- Schizophrenia
- Major Depressive Disorders

(Account for 20% of FFS payments)

RItE Care

- Pregnancy and Delivery
- Bipolar Disorders
- Major Depressive Disorders

(Account 38% of payments)



Cost Comparison

- On a case-mix adjusted basis, the State pays 20-25% **more** per stay in Fee for Service than in Rite Care